

CTA 2016-2020 CAPITAL IMPROVEMENT PROGRAM



FY 2016 - FY 2020 CIP Preliminary Marks

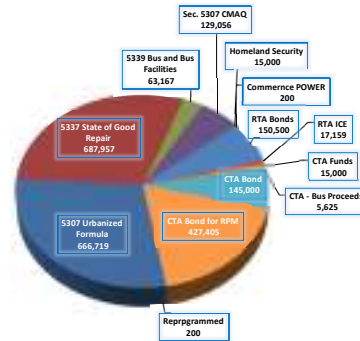
| CHICAGO TRANSIT AUTHORITY | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|
| FY 2016 - FY 2020 CIP Preliminary Marks | | | | | | |
| Sources of Funds | 2016 | 2017 | 2018 | 2019 | 2020 | TOTAL |
| 5307 Urbanized Formula | 125,579,499 | 129,346,884 | 133,227,290 | 137,224,109 | 141,340,832 | 666,718,614 |
| 5337 State of Good Repair | 129,579,932 | 133,467,330 | 137,471,349 | 141,595,490 | 145,843,355 | 687,957,456 |
| 5339 Bus and Bus Facilities Formula | 11,897,817 | 12,254,752 | 12,622,394 | 13,001,066 | 13,391,098 | 63,167,127 |
| Subtotal FTA | 267,057,248 | 275,068,966 | 283,321,033 | 291,820,665 | 300,575,285 | 1,417,843,197 |
| Sec. 5307 CMAQ | 4,056,000 | 0 | 0 | 25,000,000 | 100,000,000 | 129,056,000 |
| Department Homeland Security (HLS) | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 15,000,000 |
| Commerce POWER | 200,000 | 0 | 0 | 0 | 0 | 200,000 |
| Other Federal | 7,256,000 | 3,000,000 | 3,000,000 | 28,000,000 | 103,000,000 | 144,256,000 |
| AVAILABLE FEDERAL | 274,313,248 | 278,068,966 | 286,321,033 | 319,820,665 | 403,575,285 | 1,562,099,197 |
| RTA Bonds | 0 | 71,500,000 | 0 | 0 | 79,000,000 | 150,500,000 |
| RTA ICE | 4,837,000 | 6,052,000 | 6,270,000 | 0 | 0 | 17,159,000 |
| CTA Funds | 0 | 0 | 0 | 15,000,000 | 0 | 15,000,000 |
| CTA - Bus Proceeds | 1,875,000 | 1,875,000 | 1,875,000 | 0 | 0 | 5,625,000 |
| CTA Bond | 145,000,000 | 0 | 0 | 0 | 0 | 145,000,000 |
| CTA Bond for RPM | 212,000,000 | 0 | 215,404,718 | 0 | 0 | 427,404,718 |
| Other local | 363,712,000 | 79,427,000 | 223,549,718 | 15,000,000 | 79,000,000 | 760,688,718 |
| AVAILABLE LOCAL | 363,712,000 | 79,427,000 | 223,549,718 | 15,000,000 | 79,000,000 | 760,688,718 |
| New Funding Available | 638,025,248 | 357,495,966 | 509,870,751 | 334,820,665 | 482,575,285 | 2,322,787,915 |
| REPROGRAMMED | 200,000 | | | | | 200,000 |
| TOTAL Programmed Funds | 638,225,248 | | | | | 2,322,987,915 |



5 Year Preliminary Marks (Thousands)

| SOURCES OF FUNDS | TOTAL |
|-------------------------------|------------------|
| 5307 Urbanized Formula | 666,719 |
| 5337 State of Good Repair | 687,957 |
| 5339 Bus and Bus Facilities | 63,167 |
| Sec. 5307 CMAQ | 129,056 |
| Homeland Security (HLS) | 15,000 |
| Commerce POWER | 200 |
| RTA Bonds | 150,500 |
| RTA ICE | 17,159 |
| CTA Funds | 15,000 |
| CTA - Bus Proceeds | 5,625 |
| CTA Bond | 145,000 |
| CTA Bond for RPM | 427,405 |
| Reprgrammed | 200 |
| TOTAL Programmed Funds | 2,322,988 |

FY 2016-2020 SOURCES OF FUNDS



As planned and when new Federal Authorization totals are marked in the CIP, over 93% of expected sourced receipts are to come from federal programs and CTA Sources..



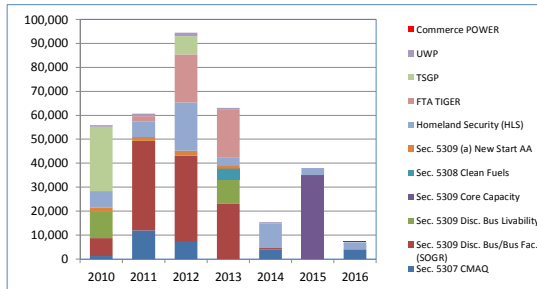
Funding Source Description (continued)

Federal Discretionary Programs

| | | | | | |
|-------------------|--|--|---|---|--|
| FTA Core Capacity | Transportation Investment Generating Economic Recovery (TIGER) | Congestion Mitigation and Air Quality (CMAQ) | Department of Justice - Homeland Security (DHS) | Bus Livability Unified Work Program (UWP) | CTA Seeks funding from Other Programs as Notice is given |
|-------------------|--|--|---|---|--|

FY 2016–2020 funding amounts will be determined on a project award basis

Discretionary programs are and awarded competitively on a project basis



Funding Source Description (continued)

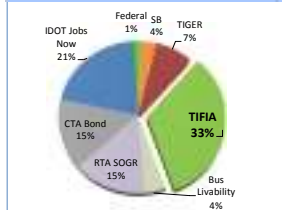
Transportation Infrastructure Financing and Innovation Act (TIFIA):

Large-scale, surface transportation projects including transit are eligible for assistance.

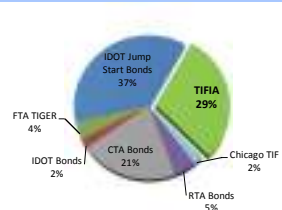
Each dollar of Federal funds can provide up to \$10 in TIFIA credit assistance and support up to \$30 in transportation infrastructure investment.

TIFIA credit assistance is often available on more advantageous terms than in the financial market.

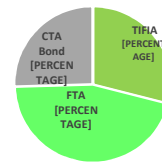
95th Terminal



Your New Blue



7000 Series Rail Cars



Funding Source Description (continued)

Regional Transportation Authority (RTA):

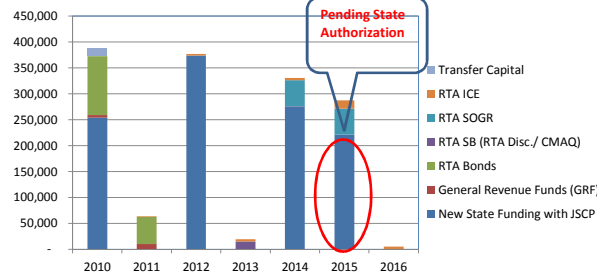
RTA Bonds Issues :
FY 2017-18 \$143M
FY 2020 \$158M
Funds distributed:
CTA 50%; Metra 45%; Pace 5%

RTA Administers State Funding Programs including State Transportation Bonds

RTA Discretionary Sales Tax

RTA Innovation, Coordination and Enhancement (ICE) Funds distributed:
CTA 48%; Metra 39%; Pace 13%

Transit Signal Priority



Funding Source Description (continued)

City of Chicago

Provides Tax Incremental Financing (TIF) Funds to CTA, and CDOT Constructs Project Within Their Right of Way.

Completed TIF Projects:

- Cermak Station (Green) CDOT \$50M
- 18th Street Connector Dan Ryan (Red South) \$11.5M
- Harrison Subway Station (Red) \$10M
- Roosevelt Station (Red) \$7M

2015/2016 CDOT Projects

Washington/Wabash Station
Loop Link

Pending TIF Funded CTA Projects:

- Grand, Chicago, Division \$4M
- Jefferson Park \$5M



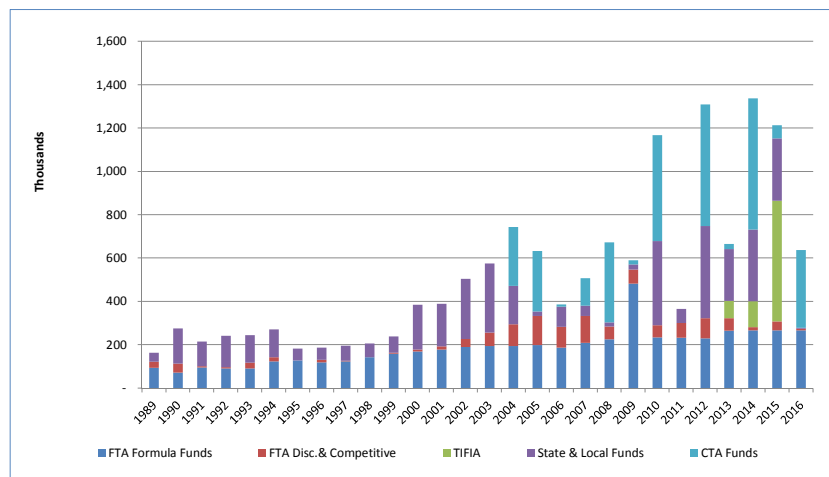
Link



WASHINGTON-WABASH
LOOP ELEVATED STATION

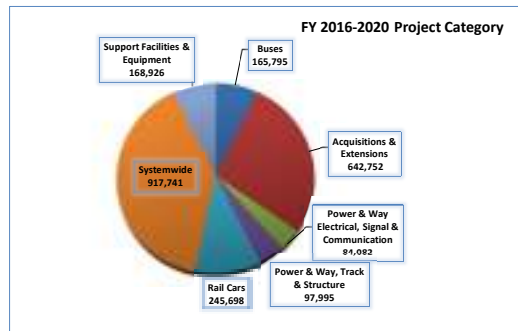


Federal, State & Local Funding Programs FY 1989 to Present



Five Year Project Category Allocation (thousands)

| Project Category | Budgets |
|--|------------------|
| Buses | 165,795 |
| Acquisitions & Extensions | 642,752 |
| Power & Way Electrical, Signal & Communication | 84,082 |
| Power & Way, Track & Structure | 97,995 |
| Rail Cars | 245,698 |
| Systemwide | 917,741 |
| Support Facilities & Equipment | 168,926 |
| Total 5 Year CIP Allocation | 2,322,988 |



2016 Capital Projects: Vehicles



Buses

- 300 New NOVA Base Order buses in service through March.
- Additional 125 Standard 40 ft. buses to be delivered and in service 2016
- Overhaul 208 of CTA Series Artic Hybrids

Railcars

- Next generation "7000 Series" rail cars, Base Order 400 Order to replace over aged cars (2600/3200 Series)
- Advertise for proposals 2015; Contract award March/April
- Overhaul 258 Rail Cars "3200 Series" extends life through 2021/2022
- 30 cars complete; Remaining 228 cars will be overhauled in 2016/2017; Project Completed 4th Qtr. 2017



2016 Capital Projects – Major Stations



Wilson Transfer Station – Red Line North

Construction approaching 50%, with project complete through 2017. New Station to include:

- 2 new 10 car concrete platforms, full canopies
- New Main Station, two new auxiliary entrances
- New elevated structure and track
- Elevators, escalators, lighting, signage, fare control, security cameras, and artwork
- New Transfer point between Red and Purple Lines

95th Street Terminal Expansion – Red Line South

Construction to start on Main Terminal in mid-2016, with project complete through 2018. New Station to include:

- replacement and expansion of the terminal, platform and vehicle and pedestrian bridges.
- additional elevators, escalators, fare array, wider sidewalks and waiting areas
- new expanded bus bays will be provided around the terminal



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2016 Capital Projects - Infrastructure



Traction Power – Substation Renewal Program

Kimball (Brown), Princeton and State (Red) construction substantially complete December 2015

Milwaukee and East Lake (Blue) complete design and start construction in 2016. 10 East Lake (State/Lake), key rail power facility that provides power to all railcars entering Loop.

Facilities State of Good Repair Program

Improvements to building envelope, systems, vehicle servicing, touching all bus/rail facilities – multiple year effort continues

Examples of type of work include replacement of bus/rail washers, hoists, trash collection systems, roofs, fire alarms, site lighting improvement, building envelope improvements, and energy savings initiatives



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2016 MAJOR INITIATIVES



Your New Blue

- Upgrade the Blue Line O'Hare Branch infrastructure that stretches over 19 miles from downtown Chicago to O'Hare International Airport. Includes upgrading slow zones and modernizing outdated stations – \$80.3M is dedicated out of the current plan.
- Work completed includes the renewal of elevated track (Belmont to Damen), and the rehabilitation of Damen, Western, & California stations. Work is underway on Addison, Irving Park, Montrose, Harlem and Cumberland Stations scheduled to be complete 4th Qtr. 2016.
- **When complete, project provides for the following upgrades:**
 - Track renewal intended to reduce slow zones on the elevated portion of the O'Hare Branch
 - Station Improvements with emphasis on the safety, security, and accessibility – work being done on 13 Stations
 - Full rail signal replacement between O'Hare and Jefferson Park
 - Power upgrades and replacement of equipment to improve reliability and allow for increase service, reducing crowding and dwell time.

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RPM Phase One

- **Lawrence to Bryn Mawr Modernization Project**
 - Replace 1.3 miles of 90-year-old track/embankment
 - Rebuild and Expand four stations and add ADA accessibility
- **Red-Purple Bypass Project**
 - Almost 150,000 rides every weekday
 - Current bottleneck precludes CTA from adding trains
 - Bypass allows CTA to run more trains that could serve 7,200 additional customers, PER HOUR
- **Corridor Signal Improvements**
 - From Belmont to Howard
- **CTA intends to seek Capital Investment Grant funding from the FTA's Core Capacity Program**
 - \$156 million was recently allocated to RPM Phase One and \$125 million more was recommended in the President's budget for Fiscal Year 2017



Summary of 2016-2020 Capital Projects Underway or Planned

New Rail Cars

- Up to 846 "7000 Series" - \$426M, to fund the base order of 400 cars.
- Cars to be delivered starting in 2019 through 2022.
- Options for Up to 446 additional cars - contract in FY 2021.

New Buses

- 125 standard buses - \$68.6M
- Anticipated order for up to 30 Electric Buses – total \$44.5M.
- Future Bus Order to replace 2006 New Flyers

Overhaul Revenue Fleet

- Overhaul of 208 Hybrid Articulated Buses - \$75M
- Life extending work on 258 railcars "3200 Series" - \$183M;
- ¼ Life overhaul "5000 Series"
- Fleet Maintenance \$19.6M

Replace Power Distribution

- Construct substations: Illinois (Brown), Broadway (Red);
- Rehabilitate substations: Kimball (Brown), Milwaukee, East Lake (Blue), State and Princeton (Red), and Systemwide

Equipment & Non-Revenue Vehicles

- Maintain buildings, infrastructure, and support operations - \$18M.

Facilities SOGR Program

- Bus Garages, Rail Shops, Maintenance Shops – improvements to building's structure, interior, systems, equipment – total \$135M

Replace Rail Signal System

- Over-aged rail signals on the Brown Line - \$50M
- Blue Line O'Hare – Final installment of \$197M project total.

Construct Rail Stations

- Installment \$22M completes:
- 95th Street Terminal Expansion
- Wilson Station (Red North)

Rehabilitate Rail Stations

- Blue Line O'Hare Stations – Chicago, Division, Grand, Jeff Park, Logan Sq., and Belmont.

Upgrade Rail Stations

- System wide improvements to station elements and adjacent infrastructure - \$10.8M.

Track & Structure

- Brown Line RLC completed
- Purple Line Express - \$30M
- Green (Lake) Line - \$27.5M
- Slow zone remediation - \$77.4 M



SIGNIFICANT SLOW ZONE REDUCTION = IMPROVED SERVICE RELIABILITY & SPEED

CTA track investments include recently completed Ravenswood Elevated and in 2016 Purple Line Express and Green Line (Lake/Laramie) to address slow zones over 7.5 miles of track, focusing on over 29,000 linear feet of 15 mph zones.



May '14 to December '15 – Slow Zones were reduced by 7.6 percentage points (13.1% to 5.5%) resulting in a 58% improvement.



COMPARATIVE PERFORMANCE ANALYSIS Rail Fleet

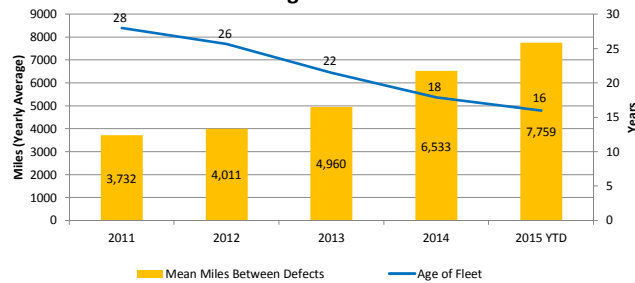
CTA Invests...

- \$1.1B – procured 714 “5000” Series Rail Cars
 - \$32.6M – 2600 Series Overhaul

CTA Future Investment

- \$900M – to procure 400 “7000” Series Rail Cars
 - \$183M - 3200 Series Overhaul

Mean Miles Between Defects v. Age of Fleet



Source: MMIS



COMPARATIVE PERFORMANCE ANALYSIS Bus Fleet

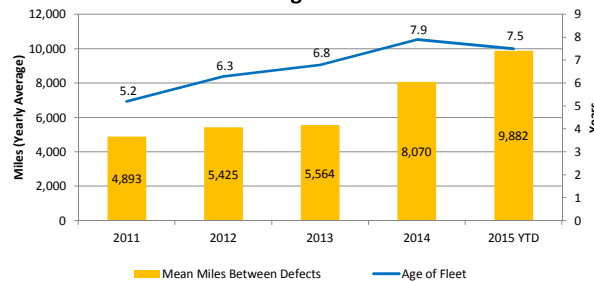
CTA Invests...

- \$81.3M – procured 100 Artic Buses
- \$143.7M – procured 278 Standard Buses
- \$184.3M – Overhaul 1030 Buses, Represents over 55% of fleet

CTA Future Investment

- \$77.5M – purchase 147 Standard Buses
- \$66.7M – Overhaul 208 Artic Hybrid Buses

Mean Miles Between Defects vs Age of Fleet



Source: MMIS



Thank You



Appendix



EFFICIENT FINANCING (2015)

- **Finance Strategy Savings**—Issued \$177 million Capital Grant Receipts Refunding Bonds generating upfront savings of \$10M of interest due to lower interest rates and favorable market conditions at issuance date: 26% minority participation on finance team.
- Using Transportation Infrastructure Finance and Innovation Act (TIFIA) Loans over traditional Sales Tax Debt:
 - Savings come from drawing funds as needed like a line of credit and a lower interest rate (currently 3%)
 - TIFIA loan – Your New Blue - Amount - \$120M – Present valued savings of \$50 million as compared to sales tax bonds
- Securing \$255 million TIFIA loan for Railcars expected to close in first quarter of 2016



Major Capital Project Budgets with Funding Source Contribution

Vehicles (thousands)

| Project | Funds prior to 2016 | FY 2016-2020 PROGRAMMED | | | 5 Yr Total | Project Total |
|-------------------------------|---------------------|-------------------------|----------|-----------|------------|---------------|
| | | FTA Federal | CTA Bond | RTA Bond | | |
| New Railcars: | | | | | | |
| Up to 846 7000 Series | \$ 474,164 | \$ 126,374 | \$ 2,092 | \$ - | \$128,466 | \$ 602,631 |
| New Buses: | | | | | | |
| Up to 425 Clean Diesel | \$ 199,695 | \$ 23,985 | \$ - | \$ - | \$ 23,985 | \$ 223,680 |
| Up to 50 Artic Hybrid | \$ 22,456 | \$ 22,045 | \$ - | \$ - | \$ 22,045 | \$ 44,501 |
| Overhaul Fleet: | | | | | | |
| Artic Hybrid Buses (208) | \$ 18,415 | \$ 22,445 | \$ - | \$ - | \$ 22,445 | \$ 40,860 |
| 3200 Series (258 cars) | \$ 148,823 | \$ 42,053 | \$ 977 | \$ - | \$ 43,030 | \$ 191,853 |
| 5000 Series | \$ - | \$ 47,063 | \$ - | \$ 11,375 | \$ 58,438 | \$ 58,438 |
| Maintenance Fleet: | | | | | | |
| Rail | \$ 3,750 | \$ 9,781 | \$ - | \$ - | \$ 9,781 | \$ 13,531 |
| Bus | \$ 3,750 | \$ 9,835 | \$ - | \$ - | \$ 9,835 | \$ 13,585 |
| Equipment & Non-Rev. Vehicles | | | | | | |
| | \$ 9,000 | \$ 3,375 | \$ 3,000 | \$ 11,625 | \$ 18,000 | \$ 27,000 |



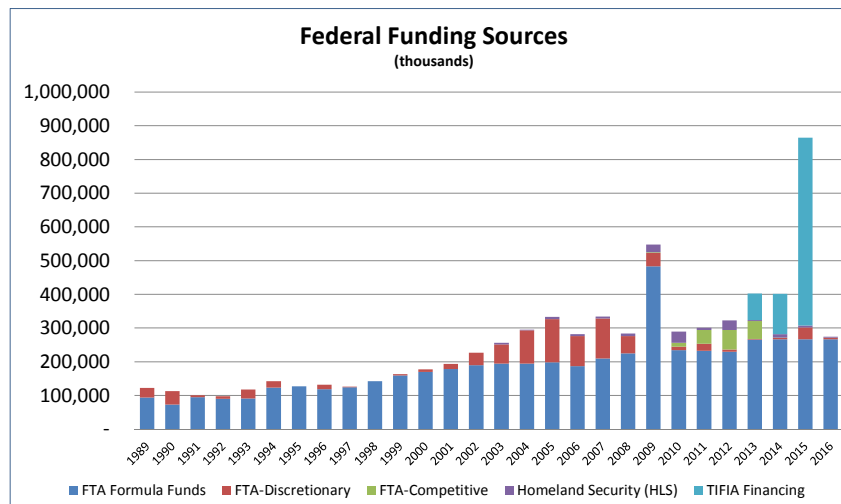
Major Capital Project Budgets with Funding Source Contribution

Infrastructure (thousands)

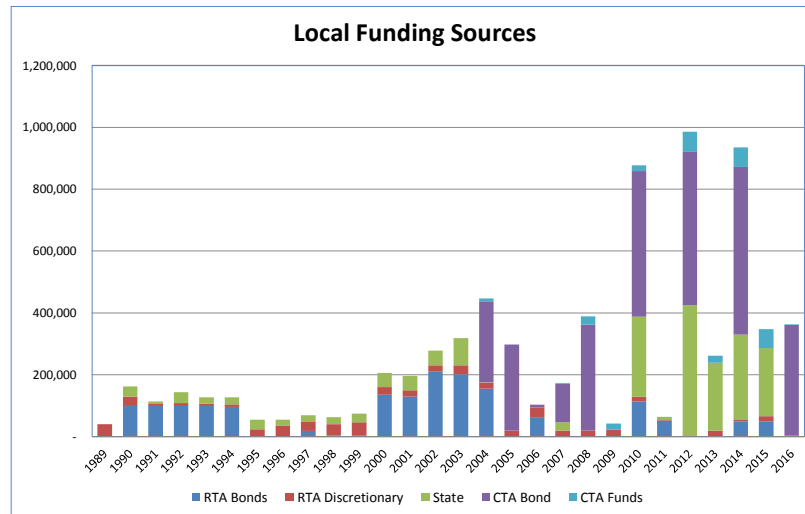
| Project | Funds prior to 2016 | FY 2016-2020 PROGRAMMED | | | 5 Yr Total | Project Total |
|---------------------------------|---------------------|-------------------------|------------|----------|------------|---------------|
| | | FTA Federal | CTA Bond | RTA Bond | | |
| Facilities SOGR Program: | | | | | | |
| Bus/Rail Facilities \$205M | \$ 193,715 | \$ 6,257 | \$ 5,028 | \$ - | \$ 11,285 | \$ 205,000 |
| Bus/Rail Facilities Next | | \$ 40,596 | | \$16,900 | \$ 57,496 | \$ 57,496 |
| Construct Non-Rev. Vehicle Shop | \$ 3,375 | \$ 10,000 | \$ 30,000 | \$ - | \$ 40,000 | \$ 43,375 |
| Power Distribution & Signals: | | | | | | |
| Substations - Brwn/Blue/Red | \$ 39,714 | \$ - | \$ 22,107 | \$13,248 | \$ 35,355 | \$ 75,069 |
| Rail Signals - Brown Line | \$ 17,953 | \$ 8,916 | \$ 23,131 | \$ - | \$ 32,047 | \$ 50,000 |
| Rail Signals O'Hare Blue Line | \$ 186,100 | \$ 11,000 | \$ - | \$ - | \$ 11,000 | \$ 197,100 |
| Substations - Blue Line | \$ 11,198 | \$ - | \$ 9,624 | \$14,352 | \$ 23,976 | \$ 35,174 |
| Rail Station Program: | | | | | | |
| Construct Wilson (North Red) | \$ 193,689 | \$ - | \$ 12,381 | \$ - | \$ 12,381 | \$ 206,071 |
| 95th Terminal (South Red) | \$ 230,000 | \$ 2,000 | \$ 8,000 | \$ - | \$ 10,000 | \$ 240,000 |
| Upgrade Rail Stations | \$ 36,905 | \$ 10,836 | \$ - | \$ - | \$ 10,836 | \$ 47,741 |
| Red Line: | | | | | | |
| Red/Purple Modernization Ph. #1 | \$ 69,946 | \$ 125,000 | \$ 432,458 | \$ - | \$557,458 | \$ 627,405 |
| Red Line Extension - EIS | \$ 6,888 | \$ - | \$ 5,000 | \$ - | \$ 5,000 | \$ 11,888 |
| Track & Structure: | | | | | | |
| Systemwide Track Renewal | \$ 206,753 | \$ 74,923 | \$ 18,093 | \$ 2,000 | \$ 95,016 | \$ 301,769 |



Federal Funding Programs FY 1989 to Present.



Local Funding Programs FY 1989 to Present



CTA SOGR Backlog and 10 Yr. Need By Mode (\$Millions)

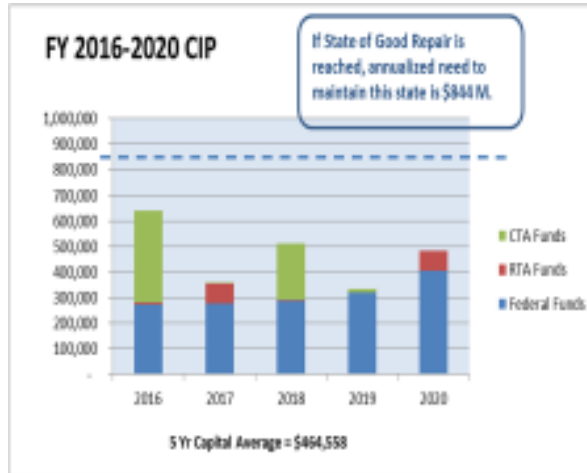
| Mode | SGR Backlog | 10 Yr. Normal Reinvestment | Total | % of Total |
|-------------------|--------------|----------------------------|---------------|---------------|
| Rail | 11.36 | 6.82 | 18.18 | 82.0% |
| Bus | 1.56 | 2.37 | 3.93 | 17.7% |
| Share | 0.02 | 0.05 | 0.06 | 0.3% |
| Total | 12.94 | 9.24 | 22.17 | 100.0% |
| % of Total | 58.3% | 41.7% | 100.0% | |

***Source: RTA Capital Asset Condition Assessment Update – December 2014**

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CTA's Unfunded Need



\$22.17 billion total over the next 10 Years

\$9.2 billion - to meet normal investment needs over 10 yrs.

\$379M plus annual deficit just to maintain system after SGR needs met.



Unfunded Needs, Not in the 5 Yr. Capital Program..

| | Value (millions) | Initial year |
|---------------------------------------|--------------------------|--------------|
| 7000-series base order (remainder) | \$350-\$500 | 2021 |
| 5000-series quarter-life overhaul | \$350-\$400 | 2019 |
| 2600-series 100 cars life extension | \$35 | 2018/19 |
| Replace 1,050 New Flyer Buses | \$600 | 2020 |
| Overhaul 100 articulated buses (2013) | \$40-\$50 | 2020 |
| Your New Blue Plus | \$128 | 2017/18 |
| Forest Park Branch Track Maintenance | \$100 | 2017 |
| Forest Park Branch Modernization (PE) | \$1,000 | TBD |
| Red Line Extension (PE) | \$80 | TBD |
| Radio replacement | \$30-\$50 | |
| Bus garage upgrades /replacement | \$50-\$300 | 2017/19 |
| Facilities Systemwide Plus | \$77 | 2017/19 |
| Total | \$2,840 - \$3,320 | |

Note: Excludes RPM Need

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